

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 349, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1           Page 1, between the enacting clause and line 1, begin a new
- 2           paragraph and insert:
- 3           "SECTION 1. IC 27-1-15.6-4 IS AMENDED TO READ AS
- 4           FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) As used in this
- 5           section, "insurer" does not include an officer, director, employee,
- 6           subsidiary, or affiliate of an insurer.
- 7           (b) This chapter does not require an insurer to obtain an insurance
- 8           producer license.
- 9           (c) The following are not required to be licensed as an insurance
- 10          producer:
- 11           (1) An officer, director, or employee of an insurer or of an
- 12           insurance producer, if the officer, director, or employee does not
- 13           receive any commission on policies written or sold to insure risks
- 14           that reside, are located, or are to be performed in Indiana, and if:
- 15           (A) the officer, director, or employee's activities are executive,
- 16           administrative, managerial, clerical, or a combination of these,
- 17           and are only indirectly related to the sale, solicitation, or
- 18           negotiation of insurance;
- 19           (B) the officer, director, or employee's function relates to
- 20           underwriting, loss control, inspection, or the processing,
- 21           adjusting, investigating, or settling of a claim on a contract of

- 1 insurance; or
- 2 (C) the officer, director, or employee is acting in the capacity
- 3 of a special agent or agency supervisor assisting insurance
- 4 producers and the officer, director, or employee's activities are
- 5 limited to providing technical advice and assistance to licensed
- 6 insurance producers and do not include the sale, solicitation, or
- 7 negotiation of insurance.
- 8 (2) A person who secures and furnishes information for the
- 9 purpose of:
- 10 (A) group life insurance, group property and casualty
- 11 insurance, group annuities, group or blanket accident and
- 12 sickness insurance;
- 13 (B) enrolling individuals under plans;
- 14 (C) issuing certificates under plans or otherwise assisting in
- 15 administering plans; or
- 16 (D) performing administrative services related to mass
- 17 marketed property and casualty insurance;
- 18 where no commission is paid to the person for the service.
- 19 (3) A person identified in clauses (A) through (C) who is not in
- 20 any manner compensated, directly or indirectly, by a company
- 21 issuing a contract, to the extent that the person is engaged in the
- 22 administration or operation of a program of employee benefits for
- 23 the employer's or association's employees, or for the employees of
- 24 a subsidiary or affiliate of the employer or association, that
- 25 involves the use of insurance issued by an insurer:
- 26 (A) An employer or association.
- 27 (B) An officer, director, or employee of an employer or
- 28 association.
- 29 (C) The trustees of an employee trust plan.
- 30 (4) An:
- 31 (A) employee of an insurer; or
- 32 (B) organization employed by insurers;
- 33 that is engaged in the inspection, rating, or classification of risks,
- 34 or in the supervision of the training of insurance producers, and
- 35 that is not individually engaged in the sale, solicitation, or
- 36 negotiation of insurance.
- 37 (5) A person whose activities in Indiana are limited to advertising,
- 38 without the intent to solicit insurance in Indiana, through

communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of Indiana, provided that the person does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in Indiana.

(6) A person who is not a resident of Indiana and who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one state insured under that contract, provided that:

(A) the person is otherwise licensed as an insurance producer to sell, solicit, or negotiate the insurance in the state where the insured maintains its principal place of business; and

(B) the contract of insurance insures risks located in that state.

(7) A salaried full-time employee who counsels or advises the employee's employer about the insurance interests of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell or solicit insurance or receive a commission.

(8) An officer, employee, or representative of a rental company (as defined in IC 24-4-9-7) who negotiates or solicits insurance incidental to and in connection with the rental of a motor vehicle.

(9) An individual who:

(A) furnishes only title insurance rate information at the request of a consumer; and

(B) does not discuss the terms or conditions of a title insurance policy.

**(10) A licensed attorney when acting as a title insurance producer (as defined in IC 27-7-3.5-15) or a title insurance agent (as defined in IC 27-7-3.5-18)."**

Page 3, line 34, after "agent," insert "or".

Page 3, line 34, delete ", or an".

Page 3, line 35, delete "attorney".

Page 3, delete lines 41 through 42.

Page 4, delete lines 1 through 12.

Page 4, line 13, delete "17." and insert "16.".

Page 4, line 18, delete "18." and insert "17.".

Page 4, line 29, delete "19." and insert "18.".

Page 4, line 31, delete "insurer," and insert "insurer or an attorney

- 1       **licensed to practice law in Indiana,".**
- 2       Page 5, line 4, delete "20." and insert "**19**".
- 3       Page 5, line 36, delete "21." and insert "**20**".
- 4       Page 6, line 6, delete "22." and insert "**21**".
- 5       Page 6, line 12, delete "23." and insert "**22**".
- 6       Page 6, line 20, delete "24." and insert "**23**".
- 7       Page 6, line 26, delete "25." and insert "**24**".
- 8       Page 6, line 30, delete "26." and insert "**25**".
- 9       Page 6, line 41, delete "agency or" and insert "**agency,**"
- 10      Page 6, line 41, delete "agent" and insert "**agent, or licensed**
- 11      **attorney**".
- 12      Page 7, line 35, delete "27." and insert "**26**".
- 13      Page 7, line 36, delete "26" and insert "**25**".
- 14      Page 8, line 34, delete "28." and insert "**27**".
- 15      Page 8, line 34, delete "(a) If title insurance business to be written
- 16      by a title".
- 17      Page 8, delete lines 35 through 42.
- 18      Page 9, delete lines 1 through 25.
- 19      Page 9, line 26, delete "(d)" and insert "**(a)**".
- 20      Page 9, line 26, delete "26(f)" and insert "**25(f)**".
- 21      Page 8, run in line 34 and page 9, line 26.
- 22      Page 9, line 35, delete "(e)" and insert "**(b)**".
- 23      Page 9, line 36, delete "(d)," and insert "**(a),**".
- 24      Page 9, line 39, delete "(d);" and insert "**(a);**".
- 25      Page 9, line 41, delete "(d)" and insert "**(a)**".
- 26      Page 10, line 7, delete "(f)" and insert "**(c)**".
- 27      Page 10, delete lines 11 through 21.
- 28      Page 10, line 22, delete "30." and insert "**28**".
- 29      Page 12, line 23, after "agent" insert ".".
- 30      Page 12, line 32, after "insurer;" insert "**or**".
- 31      Page 12, line 36, delete "insurer; or" and insert "**insurer**".
- 32      Page 12, delete lines 37 through 42.
- 33      Page 13, delete line 1.
- 34      Page 13, line 14, delete "26" and insert "**25**".
- 35      Page 13, line 15, delete "31." and insert "**29**".
- 36      Page 13, line 39, delete "32." and insert "**30**".
- 37      Page 14, line 7, delete "33." and insert "**31**".
- 38      Page 14, line 7, delete "A title insurance agent may operate as an

- 1 escrow,".
- 2 Page 14, delete lines 8 through 42.
- 3 Page 15, delete lines 1 through 12.
- 4 Page 15, line 13, delete "(3)" and insert "(a)".
- 5 Page 14, run in line 7 and page 15, line 13.
- 6 Page 15, line 17, delete "(A)", begin a new line block indented and
- 7 insert:
- 8 "(1)".
- 9 Page 15, line 19, delete "(B)", begin a new line block indented and
- 10 insert:
- 11 "(2)".
- 12 Page 15, line 22, beginning with "or" begin a new line blocked left.
- 13 Page 15, line 23, delete "clause (B)" and insert "**subdivision (2)**".
- 14 Page 15, line 25, delete "(4)", begin a new paragraph and insert
- 15 "**(b)**".
- 16 Page 15, line 26, delete "in trust".
- 17 Page 15, line 28, delete "(A)", begin a new line block indented and
- 18 insert:
- 19 "(1)".
- 20 Page 15, line 32, delete "(B)", begin a new line block indented and
- 21 insert:
- 22 "(2)".
- 23 Page 15, line 37, delete "(C)", begin a new line block indented and
- 24 insert:
- 25 "(3)".
- 26 Page 16, line 4, delete "(5)", begin a new paragraph and insert:
- 27 "(c)".
- 28 Page 16, line 14, delete "34." and insert "**32.**".
- 29 Page 16, line 32, delete "35" and insert "**33**".
- 30 Page 16, line 42, delete "35." and insert "**33.**".
- 31 Page 17, line 3, delete "The fee must be specified as a line item on
- 32 the closing" and insert "**If the person purchases both a lender's title**
- 33 **insurance policy and an owner's title insurance policy in**
- 34 **conjunction with a mortgage loan made simultaneously with the**
- 35 **purchase of all or part of residential real estate securing the loan,**
- 36 **the person shall pay one (1) fee of five dollars (\$5) at the time of the**
- 37 **payment.**".
- 38 Page 17, delete lines 4 through 5.

- 1 Page 17, line 11, delete "34" and insert "**32**".
- 2 Page 17, line 12, delete "36." and insert "**34.**".
- 3 Page 17, line 34, delete "finance authority." and insert "**and**
- 4 **community development authority.**".
- 5 Page 17, delete line 39.
- 6 Page 17, line 40, delete "(11)" and insert "**(10)**".
- 7 Page 18, delete lines 3 through 42.
- 8 Page 19, delete lines 1 through 5.
- 9 Page 19, line 6, delete "39." and insert "**35.**".
- 10 Page 19, line 8, delete "40." and insert "**36.**".
- 11 Page 19, line 29, delete "41." and insert "**37.**".
- 12 Renumber all SECTIONS consecutively.  
(Reference is to SB 349 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 8, Nays 0.

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**Paul**

**Chairperson**